

NATIONAL CANNERS ASSOCIATION INFORMATION LETTER

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HEARING ON GROCERY INDUSTRY CODE

The National Canners Association through its counsel, J. Harry Covington, has requested that the Master Code of Fair Competition in Distribution in the Food and Grocery Industry be amended by eliminating all reference to canners and all references which may be taken to include the canning industry from the provisions of this code. This request was placed on record at the hearing on the code which began in Washington October 9 and extended through October 12.

The Association filed a statement at this hearing, a summary of which follows:

The National Canners Association, through its counsel, J. Harry Covington, and its secretary, Frank E. Gorrell, desires to place on record the position of the Association and the industry which it represents with respect to the proposed Master Code of Fair Competition in Distribution in the Food and Grocery Industry. The membership of the National Canners Association packs more than 60 per cent of all canned foods, except milk and meat, in the United States. The Association has been in existence for 26 years and imposes no inequitable restrictions on admission to membership and is truly representative of the food canning industry.

The Association and the canning industry wish to be helpful to the distributing trades in their efforts to formulate and put into effect a code of fair competition in distribution, because every canner recognizes the indispensable part that distributors play in marketing the canning industry's products and developing its business. At the same time the canning industry takes the position that—

(1) The food and grocery industry code, which brings under its provisions not only the distributing trades but also the canning industry and all the many other industries producing goods that are handled by wholesale and retail grocers, is not the type of code contemplated and authorized by Section 3 of the National Industrial Recovery Act.

(2) The proposed grocery industry code, by bringing under its provisions every manufacturer of "groceries," whether food or other products, attempts to set up an arbitrary classification which is not in accord or consistent with existent organization of industry and trade.

(3) The canning industry having submitted a code which incorporates fair trade practice rules and provides for the formulation of such additional rules as may be necessary should not be made a party to, or brought under, the provisions of the proposed grocery industry code.

(4) The Agricultural Adjustment Administration has the power to effect the necessary coordination of trade practice rules and regulations

incorporated in codes submitted by the respective groups of the food industries and trades.

(5) Enforcement of the codes of trade practice will be facilitated through each distinct division of industry or trade having its own code and not being dependent for enforcement upon cooperative or joint action with other divisions.

Summing up, the Association desires to continue to work in harmony with the distributors in solving their mutual problems and to cooperate as far as possible with other organizations in carrying out the purpose of the National Industrial Recovery Act. However, we maintain that the canning of foods is a distinct and well-recognized manufacturing industry, entirely distinct from the trades or industries concerned primarily with distribution. The canning industry should operate under its own code which has been submitted to the Agricultural Adjustment Administration and on which there have already been several informal conferences. We therefore urge that the distributor's code now under consideration be amended by eliminating all reference to canners and all references which may be taken to include the canning industry, and by expressly excepting the manufacturers of canned foods and kindred products, except canned milk and meat, from its provisions.

CONSTITUTIONALITY OF AGRICULTURAL ADJUSTMENT ACT UPHELD

Injunction proceedings by the Agricultural Adjustment Administration to restrain violations of the California peach agreement have resulted in a decision by Judge Adolphus F. St. Sure, in Federal District Court at San Francisco, upholding constitutionality of the act and in particular its licensing features. This is the first suit brought by the United States to enforce the Agricultural Adjustment Act or any of the acts in the Roosevelt Recovery program.

Regarding the decision, Jerome N. Frank, general counsel of the Agricultural Adjustment Administration, states:

"This was an important decision since it establishes the constitutionality of the licensing provisions of the Agricultural Adjustment Act. It holds that the power to license those engaged in interstate commerce includes the power to license persons and corporations who are doing an intrastate business where that business seriously affects interstate commerce. It also holds that, in the circumstances, the business of canning peaches is 'affected with a public interest' and sustains the right to fix quotas by license and to allocate among processors the agricultural commodity which the industry is processing. The defendant was a recalcitrant who was flagrantly violating the quota provisions of the license, and the court enjoined the operations of the defendant and compelled him to comply with the regulations of the Secretary of Agriculture.

"The license in question was issued in support of a mar-

keting agreement which had been agreed to by most of the canners. Similar agreements are being made by the Secretary in California and elsewhere with respect to many commodities, and licenses are being issued in support of these agreements. This decision should remove many of the obstacles to the making of satisfactory agreements of this kind. It also has significance with respect to governmental powers over those who refuse to comply with codes under the Recovery Act."

CANNING CROP PROSPECTS

Reports released by the Bureau of Agricultural Economics on October 11, based on reported conditions of October 1, indicate that the production of beets for canning this year is 15 per cent less than in 1932; cabbage for kraut is about one-half the 1932 production; green lima bean production is 20 per cent below 1932; pimiento production is about 43 per cent less; and the tomato crop is 20 per cent lower. The reports for the various crops follow:

BEETS

The indicated production of beets for canning, according to October 1 reports on condition of the crop and probable yields per acre, is 15 per cent less than the 1932 production and is only 46 per cent of the three-year average production for the period, 1929-1931. A total production of 18,750 tons is indicated for 1933, compared with 22,080 tons produced in 1932, and with an average of 40,690 tons for the three-year period preceding 1932. The low average yield per acre indicated for the 1933 season is a reflection of heat and drought damage in most of the producing areas.

State	Acreage		Yield Per Acre		Production	
	1932	1933	1932	1933	1932	1933
	<i>Acres</i>	<i>Acres</i>	<i>Tons</i>	<i>Tons</i>	<i>Tons</i>	<i>Tons</i>
New York	750	1,330	8.1	4.3	6,080	5,720
New Jersey	200	200	7.7	6.0	1,540	1,200
Indiana	280	280	4.2	2.5	1,180	700
Michigan	340	200	8.0	4.3	2,720	860
Wisconsin	700	900	8.2	6.2	6,560	5,580
Oregon	200	160	4.5	6.0	900	960
Other States	500	630	6.9	5.9	3,100	3,730
Total	2,970	3,700	7.31	5.07	22,080	18,750

a—"Other States" include Iowa, Maryland, Pennsylvania, Tennessee, Utah, and Washington.

CABBAGE FOR KRAUT

Production of cabbage for kraut in 1933 will be little more than one-half the 1932 production and will be the smallest crop since 1921, according to October 1 reports on condition of the crop and probable yields per acre. Prospective yields per acre

declined about 5 per cent during September. A total production of 78,530 tons is now indicated for 1933 compared with 151,760 tons produced in 1932 and with a five-year average production of 166,880 tons for the period, 1927-1931.

The indicated average of 6.06 tons per acre for the 1933 season is the lowest on record since 1919. In 1932 the average yield per acre was 9.42 tons; for the five-year period preceding 1932, the average was 8.86 tons per acre. The unusually low yield per acre is a reflection of damage from heat and drought during the earlier part of the growing season from which the crop did not recover.

State	Acreage		Yield Per Acre		Production	
	1932	1933	1932	1933	1932	1933
	Acres	Acres	Tons	Tons	Tons	Tons
New York	4,900	3,800	11.5	6.4	56,400	24,300
Ohio	2,080	1,800	9.2	6.0	19,100	11,200
Indiana	1,600	1,600	9.3	5.3	14,900	8,500
Illinois	450	450	9.0	5.0	4,000	2,200
Michigan	900	720	10.5	5.7	9,400	4,100
Wisconsin	4,300	2,700	7.6	6.0	32,700	16,200
Minnesota	200	150	10.8	6.6	2,200	1,000
Colorado	200	200	10.0	11.0	2,000	2,200
Washington	200	200	9.0	9.0	1,800	1,800
Other States . . .	1,290	1,280	7.2	5.5	9,200	7,030
Total	16,120	12,900	9.42	6.06	151,760	78,530

a—"Other States" include Iowa, Maryland, Missouri, Montana, Nebraska, Oregon, Pennsylvania, Tennessee, Utah, and Virginia.

GREEN LIMA BEANS

Productions prospects of green lima beans for canning or manufacture in 1933 are nearly 20 per cent below production in 1932, according to October 1 reports on the crop. A total production of 15,588,000 pounds (shelled) is now indicated, compared with 19,369,000 pounds produced in 1932 and with an average of 27,209,000 pounds for the three-year period, 1929-1931. Production declined materially during September as a result of the severe storm which swept the Eastern Shore of Virginia and nearby areas about the middle of the month.

State	Acreage		Yield Per Acre		Production a	
	1932	1933	1932	1933	1932	1933
	Acres	Acres	Lbs.	Lbs.	Lbs.	Lbs.
New Jersey	1,250	1,000	1,210	900	1,512	1,440
Delaware	4,000	4,200	970	1,000	3,880	4,200
Maryland	2,800	2,000	850	850	1,955	1,700
Virginia	5,000	4,700	1,230	800	6,888	3,760
Michigan	1,750	1,100	1,230	900	2,152	990
Other States b . .	2,980	3,020	1,001	1,158	2,982	3,498
Total	17,880	16,620	1,083	938	19,369	15,588

a—Production for both canning and frozen pack.

b—"Other States" include Colorado, Georgia, Illinois, Indiana, Iowa, Minnesota, New York, Ohio, Oregon, Pennsylvania, South Carolina, Tennessee, Washington, and Wisconsin.

TOMATOES

Based upon the reported condition and probable yield per acre of the crop on October 1, the total indicated production of tomatoes for canning or manufacture in 1933 is 20 per cent less than production in 1932 and is 26 per cent under the five-year average production for the period, 1927-1931. A total production of 957,050 tons is indicated for 1933 compared with 1,199,100 tons produced in 1932, and with an average production of 1,292,400 tons for the five-year period preceding 1932.

Although crop prospects changed among individual States during September, the net variation of total production for the whole country during that month was an increase of less than 1 per cent. No appreciable change in prospects has occurred since September 1 in the Atlantic Coast area which suffered severely from the storms of late August. In Missouri and some of the North Central areas, yields per acre are somewhat higher than indicated on September 1. In California, however, yields obtained to date in the heavy producing districts are lighter than anticipated a month ago.

With the exception of 1931, the prospective average yield per acre on the total acreage is the lowest during the past 15 years. It is about 19 per cent less than the average yield per acre in 1932 and is 15 per cent under the five-year average for the period, 1927-1931.

State	Acreage		Yield Per Acre		Production	
	1932	1933	1932	1933	1932	1933
	Acres	Acres	Tons	Tons	Tons	Tons
New York	10,200	10,200	8.6	5.7	87,700	58,100
New Jersey	30,000	28,000	6.2	3.2	186,000	89,600
Pennsylvania	6,500	6,000	4.6	3.5	29,900	21,000
Ohio	9,300	11,000	6.5	5.9	60,400	64,900
Indiana	62,000	59,000	4.0	3.8	248,000	224,200
Illinois	5,400	5,300	3.2	3.5	17,300	18,000
Michigan	1,900	2,300	5.8	6.6	11,000	15,200
Iowa	5,300	5,100	2.1	5.4	11,100	27,500
Missouri	14,000	13,600	2.0	3.0	28,000	40,800
Delaware	10,600	11,300	4.3	2.1	45,600	23,700
Maryland	36,000	39,200	4.3	2.1	154,800	82,300
Virginia	13,900	15,700	2.8	2.2	38,900	34,500
Kentucky	4,500	5,100	1.8	2.3	8,100	11,700
Tennessee	8,400	8,200	1.7	2.5	14,300	20,500
Arkansas	18,000	16,000	2.5	2.4	45,000	39,800
Colorado	2,300	1,700	4.7	7.5	10,900	12,800
Utah	3,000	3,450	8.2	9.5	24,600	32,800
California	29,950	23,200	5.0	4.5	149,800	104,400
Other States	9,160	9,110	3.0	3.8	27,800	34,650
Total	280,410	274,000	4.28	3.49	1,199,100	957,050

a—"Other States" include Connecticut, Florida, Georgia, Idaho, Kansas, Louisiana, Mississippi, Nebraska, New Mexico, Oklahoma, Oregon, South Carolina, Texas, Washington, West Virginia, and Wisconsin.

PIMIENTOS

As a result of extreme heat and dry weather in Georgia, production prospects of pimientos declined 31 per cent during September. A total production of 9,210 tons is now indicated compared with 16,220 tons produced in 1932 and with a five-year average of 15,230 tons for the period, 1927-1931.

State	Acreage		Yield Per Acre		Production	
	1932	1933	1932	1933	1932	1933
	<i>Acres</i>	<i>Acres</i>	<i>Tons</i>	<i>Tons</i>	<i>Tons</i>	<i>Tons</i>
California	2,100	670	3.00	3.00	6,300	2,010
Georgia	6,700	6,000	1.48	1.20	9,920	7,200
Total	8,800	6,670	1.84	1.38	16,220	9,210

ARRANGEMENTS FOR CONVENTION ROOM RESERVATIONS

Following the usual custom, all room reservations for the convention of the National Cannery Association and allied associations at the Stevens Hotel in January will be made through the offices of the respective associations.

The National Cannery Association has sent a letter to each of its members giving information about rates and other arrangements. Members desiring the same room assignments as at the last convention are requested to notify the association prior to November 13, in order that the association may have an opportunity to comply with the requests of members who may desire to increase or change the reservations they had last year, and also to take care of requests of new members. Reservations may be cancelled at any time prior to one week in advance of the opening date of the convention.

Unless otherwise requested, all reservations will begin with Sunday, January 14. No reservations can be accepted for arrival later than Monday, January 15, except that where reservations are desired for arrival later than Monday, the hotel will upon request register the persons in on Monday and hold rooms vacant until arrival. In such cases, however, a charge will be made for Monday.

WALNUT MARKETING AGREEMENT SIGNED

A marketing agreement for the Pacific Coast walnut industry became effective October 9, after being approved by the Agricultural Adjustment Administration and signature by Secretary Wallace and walnut packers.

The agreement seeks higher returns to producers in California, Oregon, and Washington through control of the amount of walnuts placed on the domestic market and is to be enforced through a licensing clause which became effective at noon October 11.

The central feature of the agreement is a provision for limiting the quantity of merchantable walnuts to be sold in the domestic market as unshelled nuts. Disposal of the surplus is to be in the hands of a control committee of nine.

Prices to producers for merchantable nuts will be governed in part by maximum and minimum prices to retailers which the control committee is authorized to establish. Growers and packers will turn over surplus walnuts to the control committee, which will dispose of them as shelled nuts or export them at what prices can be obtained, and make a proportionate payment to the growers and packers.

FORECAST OF FREIGHT MOVEMENT

Movement of freight during the last quarter of 1933 will be 14.7 per cent greater than during the corresponding quarter of 1932, according to the forecast of the Regional Shippers Advisory Boards as furnished to the American Railway Association. Loadings of canned goods, that is all canned food products including jams, jellies, pickles, preserves, etc., are forecast at 35,514 cars, as compared with actual loadings of 31,770 cars during the last quarter of 1932, an increase of 11.8 per cent.

DEPARTMENT STORE SALES IN SEPTEMBER

Preliminary figures on the value of department store sales show an increase from August to September of less than the estimated seasonal amount. The Federal Reserve Board's index, which makes allowance both for number of business days and for usual seasonal changes, was 70 in September on the basis of the 1923-1925 average as 100, compared with 77 in August and 70 in July.

In comparison with a year ago, the value of sales for September according to preliminary figures, was 2 per cent larger. The aggregate for the first nine months of the year was 9 per cent smaller than last year.

CANNED PINEAPPLE INDUSTRY IN BRITISH GUIANA

Rush orders from England and Canada mark the beginning of the new industry of canned pineapples in British Guiana, according to a report from the American vice consul at Trinidad. Encouraged by Ottawa preference and large government land concessions, the local company hopes to build an extensive export and local trade in canned fruit and vegetables. The British Guiana Trust and Canning Company is so deluged with orders for canned pineapples from abroad, it is stated, that they find it difficult to meet the demand, and will have to enlarge their plant. Orders on hand from Germany alone total more than 7,000 cases.

STATISTICAL REPORTS OF INDUSTRIES

The fact that the NRA requires certain statistical information from industries and their compliance with the request does not relieve these industries from the obligations imposed by law requiring them to make regular reports to other departments of the Government.

There has been some misunderstanding in this matter among manufacturers and others who are directed by law to make reports to the Labor Department, the Department of Commerce, the Federal Trade Commission, and other Government agencies. Some of them have entertained the opinion that by reporting to the NRA they were relieved from continuing their reports to other departments. In order to clear up the matter, the NRA today issued the following statement:

"No provision of any code relieves any industry from the obligation of continuing to make customary statistical reports to Government departments."

CANNED PINEAPPLE PRODUCTION IN QUEENSLAND

The Queensland Registrar General, according to a report from the American Trade Commissioner in Sydney, states that actual production figures of canned pineapples for the fiscal year 1932-33 have not yet been compiled, but the actual quantity packed during the calendar year 1932 totaled 5,490,740 pounds. The quantity of canned pineapples packed during the fiscal years 1929-30, 1930-31, and 1931-32 was 5,038,491, 4,696,442, and 5,532,192 pounds, respectively.

MILK DEALER DISTRIBUTES TOMATO JUICE

Bottled tomato juice is being sold by a Detroit dairy on its regular milk route, according to *The Milk Dealer*. The publication reports that the tomato juice has proved more popular than was anticipated.

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